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UNCLAS KINSHASA 000052

SIPDIS

SENSITIVE

E.O. 12958: N/A

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SUBJECT: LABOR SECTOR UPDATE

REF: A) 04 KINSHASA 450, B) 04 KINSHASA 1474

1. (U) From Nov-Dec 2004, a series of civil servant strikes to claim salary payments and raises occurred in both government organizations and state-owned enterprises. In 2003-2004, the GDRC negotiated a civil service restructuring plan with the World Bank without union involvement. The GDRC designed a salary increase of 20 percent (or FC 133) calculated on a base salary of FC 665 (approx. USD 1.60) per month. Due to the lack of inclusion in negotiations and continued low pay per the new plan, civil service unions considered organizing another general strike, along the lines of Feb-April events (Ref A).

2. (U) On December 20, 2004, the Ministry of Civil Service called a two-day meeting with civil service unions to continue negotiations. The Minister of Civil Service again presented to the unions the civil service restructuring plan - including the proposed pay raise and the forced retirement and voluntary departures for some employees. Unions initially resisted adopting the restructuring plan, but in the end accepted it. Both the GDRC and the unions agreed to make the salary increase effective in the 2005 Budget. The Minister of Civil Service, meanwhile, promised to pay salary arrears for 2004 by the end of 2004 and to meet payroll obligations regularly in 2005.

3. (U) While accepting the government plan, the civil service unions fear arriving at the same fate as Gecamines employees who took severance pay packages developed without prior negotiation. Those workers received approx USD 3,000, as well as promises of employment assistance and training, but the latter have not materialized. Civil servants want to avoid this fate by getting the World Bank involved, preferably from the unions' standpoint through their inclusion in ongoing discussion between the GDRC and the Bank regarding general public service reform. Thus far, the Bank shows no interest in this proposal.

4. (SBU) Comment: The unions continue to push for the GDRC to return to the repudiated Mbudi negotiations of Feb 2004 (Ref A) in which GDRC Vice President Z'Ahidi Ngoma promised significant cash payments which would in fact have broken the bank. GDRC adherence to the deal would have dictated violating the terms of its IMF commitments, and there is no prospect of such a deal in the foreseeable future. The World Bank shows little inclination to become directly involved with the civil service unions, viewing them as implacable and often irrational. In fact, the civil service unions remain largely disorganized and have only had a limited impact in recent months (Ref B). Given the relatively weak position of labor and the poor record of these unions, the Embassy does not see a strong potential for civil disturbances related to the labor sector at this time. End comment.

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